

HB 2563 STAFF MEASURE SUMMARY

House Committee On Commerce and Consumer Protection

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/11

WHAT THE MEASURE DOES:

The measure requires an insurer to give a clear and reasonable explanation why the premium has increased when a qualifying policy is renewed. Explains what clear and reasonable means. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

HB 2563 requires an insurer that renews a qualified policy to give a written explanation for why the premium increased if requested. Qualified policy means certain homeowner insurance and motor vehicle liability insurance policies. Insurer will respond within 20 days. The Director of the Department of Consumer and Business Services determines what the written explanation will look like and what it contains within some limitations. Language must not be technical and be understandable to the average policy holder. Becomes operative January 1, 2026.